

UNITED STATES DISTRICT COURT

DISTRICT OF MASSACHUSETTS

Docket No.: 04CV-1035RCL

SHELDON G. ADELSON,

Plaintiff,

v.

MOSHE HANANEL,

Defendant.

AFFIDAVIT OF ERIC HO

1. My name is Eric Ho, I am a citizen of the Peoples Republic of China and a resident of Macau, S.A.R. The statements in this affidavit are based on my personal knowledge, unless otherwise indicated.

2. I was the Secretary General of the Tender Commission, which managed the solicitation and awarding of concession licenses to operate gambling casinos in Macau S.A.R. I was appointed by the Chief Executive of Macau.

3. I am familiar with the background and the important events that led to the solicitation of Tender Submissions for such licenses, which I describe in the following paragraphs.

4. There was a gaming monopoly in Macau since 1962, which was anchored in a concession agreement with STDM, the entity controlled by Stanley Ho. STDM had 11 casinos in Macau, mostly in hotels.

5. Already in 1987 it was widely known that Macau would be returned to the Peoples Republic of China (The Handover). Macau is now entirely independent, except for matters of security and foreign affairs.

6. All of the laws of Macau were reviewed by the Handover Committee. Before the Handover, decisions were made jointly by the Portuguese and Chinese authorities.

7. The STDM monopoly contract was due to end in 2001. There was liberal gaming legislation already in 1982, and it was clear that there would be a public proceeding. However, in

1986 the STDM contract was extended, and the legislation on the matter was, in practice, revoked. The monopoly could not be terminated before 2001 – even via legislation – because that would have been a breach of the agreement with STDM.

8. In 1998-1999 it was public knowledge that the Chinese would not extend the STDM contract. Already from the start it was widely known throughout the gaming industry that STDM's contract would not be renewed in 2001.

9. An Advisory Committee was established on June 29, 2000. The purpose of the committee was to learn about the liberalization process in gaming. There were 5 members on the committee: the Chief Executive, the Secretary for Economy and Finance, the Director of Gaming Bureau, a representative of the Secretary for Public Security and a representative of the Secretary for Lands and Transportations.

10. In early 2000, one of the Chief Executive's decisions was to liberalize gaming. The monopoly was due to expire on December 31, 2001 (the last extension was in 1986). The decision was a political one. He wanted a change of direction in gaming. The idea was that gaming would promote the state: tourism, trade shows, etc.

11. Realizing that it was likely that some Vegas hotel owners would want to come to Macau. Our advisor, the firm, Arthur Anderson, made inquiries on our behalf with the big companies, whether they were interested in coming to Macau.

12. I prepared the request for Expressions of Interest ("EOI"). When the EOI was prepared, the law already determined that three concessions would be granted. I published the EOI on the Internet web site of the Macau government, in the Macau press, in the Financial Times and also in the Asian Wall Street Journal. It was in around September 2001.

13. The major casino companies had probably known about this earlier than September 2001. By then everyone in the gaming industry knew about it. Everyone was interested in it.

14. We received 23 EOIs, of which we disqualified two. There was a publication in the newspaper of all the companies that had submitted an EOI.

15. Thereafter, we announced the date for submitting bids in the tender.

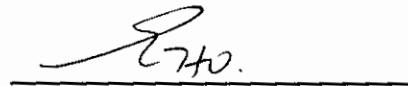
16. Mr. Sheldon Adelson's company, The Venetian Casino Resort, LLC joined a consortium that included The China Development Industrial Bank to form Asian American Entertainment Corporation, Ltd, which on behalf of the consortium applied for a Casino license.

17. Neither Mr. Adelson, nor anyone on his behalf contacted the Tender Commission, or submitted anything to the Commission except as part of the AAEC bid.

18. There was nothing that he could have done in 1999 that would have helped get a license or a subconcession. No knowledge he may have had about the Zhuai Special Economic Zone that could have helped obtain license or subconcession. Zhuai is a special economic zone located in Guangdong Province of China, entirely separate from Macau, S.A.R., which is a semi-autonomous, special administrative region of China, with its own government. In fact,

development in Zhuai was never considered to be a factor in the final awarding of any of the three gaming concessions.

Signed on my oath under the penalties of perjury this 22 day of December 2005.


Eric Ho